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TAGS: [PREL](#) [PGOV](#) [ECON](#) [SENV](#) [KGHG](#) [EUN](#) [SW](#)

SUBJECT: SWEDEN'S EU PRESIDENCY: GOOD ON AF/PAK AND
ENLARGEMENT

REF: A. STOCKHOLM 800 (COPENHAGEN)
[1](#)B. STOCKHOLM 794 (MFA ON PRESIDENCY)
[1](#)C. STATE 128589 (S LETTER TO BILDT)
[1](#)D. STOCKHOLM 780 (E+5)
[1](#)E. STOCKHOLM 776 (PATENT)
[1](#)F. STOCKHOLM 754 (MIDDLE EAST DRAFT)
[1](#)G. STOCKHOLM 723 (LISBON APPOINTMENTS)
[1](#)H. STOCKHOLM 720 (RUSSIA READ OUT)
[1](#)I. STOCKHOLM 711 (GOSSIP ON APPOINTMENTS)
[1](#)J. STOCKHOLM 688 (ENERGY COUNCIL)
[1](#)K. STOCKHOLM 679 (REINFELDT)
[1](#)L. STOCKHOLM 604 (MICROBIAL)
[1](#)M. STOCKHOLM 574 (ENLARGEMENT)
[1](#)N. 2008 STOCKHOLM 857 (EARLY PRIORITIES)

Classified By: DCM Robert Silverman for reasons 1.4(b) and (d).

[1](#)1. (C) Summary: The Swedes pushed forward each of their Presidency priorities, from financial sector reform to climate change and institutional reform. Unlike France in August 2008 and the Czech Republic in February 2009, Sweden did not face a Russian surprise (aided by approving the Nordstream pipeline route through its economic zone on the eve of the November EU-Russia Summit). In Embassy Stockholm's view, the Swedish Presidency registered two big positives for U.S. interests: adoption of the "EU Action Plan for Afghanistan and Pakistan," and progress on EU enlargement for Turkey and Croatia.

[1](#)2. (C) There were other potential positives, including a new U.S. - EU Energy Council and EU-wide patent. We agree with FM Carl Bildt's "wait-and-see" assessment on the new EU institutions. The ability to play positive roles depends on the policies the Member States agree to adopt. However these turn out, the Swedes are feeling good that they managed the transition to Lisbon with a minimum of intra-EU friction.

[1](#)3. (C) On the climate change priority, there is clear disappointment in the Copenhagen result, and some sensitivity with the EU's role there, but we assess this can be overcome through enhanced engagement with Sweden and the other Member States to bring them into a joint approach on China. End summary.

THE SWEDISH WORK PROGRAM

[1](#)4. (U) Sweden had a good idea of what would be expected in 2009, having held the EU Presidency previously in the first half of 2001. This time around, the Swedes maintained (according to their excellent Presidency website) "high ambitions but realistic expectations" for the role of a country of 9.5 million leading 500 million EU citizens. There were 3,300 meetings that were chaired by 160 Council working groups. Notably, only 113 meetings were held in Sweden, underscoring that this was a Brussels-based Presidency. One MFA desk officer told us privately that the

Swedes approached the Presidency with "low expectations" in the hopes of "over-delivering."

15. (U) The Swedish-led EU work program was largely inherited from France and the Czech Republic, the other 2008-2009 "trio" Presidency holders. Their priorities included (1) economy and employment; (2) climate; (3) the EU as a global actor; (4) EU institutional arrangements; (5) enlargement; (6) Justice and Home Affairs issues; and (7) the Baltic Sea Strategy. When Sweden held the Presidency in 2001, their top three priorities were enlargement, the economy and employment, indicating considerable continuity in the priorities of the two Presidencies.

OBJECTIVES AND OUTCOMES

----- Economy and Employment -----

16. (U) Objectives: The economy and employment topped the list as the most pressing concerns for the 2009 Swedish EU Presidency. Noting that the "responsibility for labor market policy lies with the Member States," the Swedes called for enhancing the role of the EU in limiting unemployment, establishing a new supervisory structure for the financial system, and overseeing long-term growth and employment.

17. (U) Outcomes: In October the EU agreed on a fiscal exit strategy through the establishment of the Excessive Deficit Procedures, and in December, the European Council agreed on principles for exiting from financial support schemes. A

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joint European Systemic Risk Board with three new supervisory bodies on the micro level are also being created: the European Banking Authority, the European Insurance and Occupational Pensions Authority, and the European Securities and Markets Authority.

----- Climate -----

18. (U) Objectives: The Presidency aimed to lead the EU to achieve a new global agreement on climate at COP-15 in Copenhagen. Six months before taking the Presidency, EU Affairs State Secretary for EU Affairs Maria Asenius told us that binding commitments from the U.S. and China would be Sweden's "top priority" (ref N).

19. (C) Main Activities: In October, the EU adopted a comprehensive mandate at the European Council. The EU put together a finance package to "fast start" climate action in developing countries with an investment of 7.2 billion euros over three years. Following COP-15, Swedish Environment Minister Andreas Carlgren said at a press conference on December 22 that the EU Ministers blamed the U.S. and China for failing to agree on a binding agreement, although the Presidency cited positive aspects including reference to the 2 degree Celsius temperature target, commitments for funding of developing countries in terms of climate change, and commitments for countries to report their actions in a transparent manner. In response, Charge called PM Fredrik Reinfeldt's climate change advisor Lars Erik Lilejelund, who agreed that it was wrong to criticize the U.S. and that the EU and U.S. needed a strategy to bring China into serious discussions (ref A).

110. (C) Outcomes: Many European leaders, including Sweden's Environment Minister, are clearly disappointed with Copenhagen, and telling their publics it was a failure. But, it was in fact a big step forward -- especially in moving away from Kyoto's unsustainable dichotomy between developed and developing country emissions. Other European leaders, including Sweden's PM, are emphasizing this positive step.

The EU as a Global Actor

¶11. (U) Objectives: The Swedes hoped to strengthen the role of the EU as a global actor with a clear agenda for peace, development, democracy and human rights. The ambition was to enhance the EU's ability to act in times of international crisis and to strengthen cooperation with important partners.

¶12. (C) Main Outcomes: FM Bildt spearheaded the "EU Action Plan for Afghanistan and Pakistan" unveiled at the October GAERC. At a meeting with Charge on December 22, Swedish MFA Political Director Bjorn Lyrvall noted that it had been difficult to forge consensus among the 27 EU Member States in crafting the plan but that document commits Member States to actions (ref B). As the Secretary's congratulatory letter to the Swedes of December 16 notes, the plan still needs to be "resourced fully" (ref C).

¶13. (C) Other Outcomes: At the Eastern Europe Energy Efficiency and Environment Partnership meeting on November 26, the U.S. (with a \$7.5 million donation) joined other donors in raising 90 million euro to finance energy efficiency projects in the Ukraine (ref D). On Iran, the Swedish Presidency issued numerous statements on human rights issues and the December Council statement leaves the door open to pursue a pressure track. But on the Arab-Israeli issues, Bildt's initial draft of the Foreign Affairs Council text in December only succeeded in further alienating the Israelis (ref F).

EU Institutional Arrangements

¶14. (U) Objectives: The big institutional issues that the Swedish Presidency tackled included the Lisbon Treaty, supervising the process of appointing the new permanent President and the High Representative for Foreign and Security Policy and the new EU Commission.

¶15. (C) Outcomes: One of the more dramatic moments in the Presidency came when Czech President Vaclav Klaus asked for clarification regarding the Charter of Fundamental Rights

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before he would sign the Lisbon Treaty, which ultimately came into force on December 1. PM Fredrik Reinfeldt also negotiated with the Council on who would fill the newly created positions for Permanent President of the European Council (Herman Van Rompuy) and High Representative of the Union for Foreign Affairs and Security Policy (Catherine Ashton), a process Reinfeldt was criticized for doing "secretively" (ref I). The European External Action Service was also approved following the European Council meeting at the end of October. For Sweden, the appointment of EU Affairs Minister Cecilia Malmstrom to the European Commission's JHA portfolio was, in Bildt's assessment, "the most high profile EU appointment of a Swede to date" (ref G).

Enlargement

¶16. (U) Objectives: Recognizing the pace of enlargement would be "determined by the progress of reform in each country," Sweden sought to continue the enlargement process, particularly with regard to Croatia, Turkey, and the countries of the Western Balkans.

¶17. (SBU) Outcomes: EU enlargement continued under the Swedish Presidency (ref M). A new chapter on environment was opened in the negotiations between the EU and Turkey.

Iceland submitted an application for EU membership. The border dispute between Croatia and Slovenian was resolved, and the Presidency ended with Serbia submitting its application for EU membership to the Swedes in late December. Bildt also singled out Croatia's progress toward EU accession and visa liberalization for Serbia, Montenegro and Macedonia as other accomplishments.

Justice and Home Affairs

¶18. (U) Objectives: The Presidency's ambition included the adoption of a new strategic work program -- the Stockholm Program -- on police, border and customs issues, legal matters, asylum, migration and visa policy as well as individual rights and privacy. The development of a common asylum policy aimed to increase burden-sharing among Member States.

¶19. (SBU) Outcomes: The Stockholm Program was adopted but does not contain concrete legislation. Rather, it is a collection of positive principles that will be left to future EU presidencies to enact. An interim SWIFT agreement, allowing the U.S. access to European citizen's financial transactions, was approved for another nine months beginning on February 1. The U.S. - EU Extradition and Mutual Legal Assistance Agreements were ratified, and the "Washington Declaration," setting out deepened cooperation on JHA issues between the U.S. and EU, was drafted, negotiated and adopted.

EU Strategy for the Baltic Sea

¶20. (U) Objectives: The Swedish Presidency aimed to adopt an EU-only strategy for the Baltic Sea to make the region cleaner, more dynamic and prosperous, and to increase the Baltic Sea's attractiveness and accessibility. Because eight of the nine Baltic Sea States are members of the EU (all but Russia), EU regulations offered a coordinating tool to promote research, innovation, entrepreneurship and maritime surveillance in the region.

¶21. (SBU) Outcomes: The EU Strategy for the Baltic Sea was adopted on October 26 at the General Affairs Council. It is intended to serve as a coordinating strategy throughout the region yet no extra funding was earmarked for the initiative. In the future, the Baltic Sea Strategy may serve as a model for cooperation in other regions such as the Danube or the Alps.

OTHER ACHIEVEMENTS

¶22. (SBU) Other achievements listed on the 2009 Swedish Presidency website:

-- Formation of the U.S. - EU Energy Council with working groups on energy security and technology, providing a promising new forum for engaging the Euros (ref J);

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-- The establishment of a transatlantic task force for cooperation on antibiotic/antimicrobial resistance; (ref L)

-- A political agreement that paves the way for an EU-wide patent, which would be an important development for U.S. commercial interests (ref E);

-- Development of a common maritime surveillance system (primarily radar) to enhance information sharing between Member States, and more flexibility given to EU battlegroups in order to remove some of the barriers to deployment such as cost and training. Both achievements indicate Member States are increasingly looking to the EU to address international

security challenges and to protect the European homeland;

-- A free trade agreement between the EU and South Korea, which should enter force in the second half of 2010 although uncertainties remain.

SCORECARD -- WHAT THE CRITICS SAID

¶23. (SBU) By the end, the leading Swedish daily newspaper Dagens Nyheter assessed that the Swedes did not make "any big mistakes." What the Presidency lacked in "luminosity" and "inspiration" was made up the Swedes' ability to listen, be reliable, and compromise, the editorial continued. After the tumultuous Czech EU Presidency, the Swedes recognized the need to be "flexible and prepared to deal with unexpected issues" such as the deepening financial crisis, last-minute political wrangling over the Lisbon Treaty with the Czech President Vaclav Klaus, and a late-breaking difference of opinion about language contained in an EU draft resolution on East Jerusalem (ref F). Recognizing these and other hurdles early on, the 2009 Swedish Presidency used the statement "taking on the challenge" as their guiding vision, a slogan that was later deemed "defensive" and "ironic" by the European press.

¶24. (SBU) The most visible failure of the Presidency, according to a press statement by Piotr Maciej Kaczynski at the Centre for European Studies in Brussels, was the lack of transparency that guided how the "President" and the "Foreign Minister" were selected. This assessment is particularly biting given that the Swedes strove to achieve transparency in both of their EU Presidencies. However, the Swedes were hampered on this issue because there were no procedural rules on how the process should be handled.

¶25. (SBU) The individual whose stature was clearly enhanced from the Presidency was Swedish PM Fredrik Reinfeldt (ref K). In late 2009, Reinfeldt was named "European of the Year" by the Tribune, a French business magazine, citing his intelligence, "coolness," and "ability to carry out his job at his own pace." With national elections in fall 2010, current opinion polls show Reinfeldt leading in "trust" and "status," although his party, the center-right Moderates, has lost ground due to domestic issues.

COMMENT

¶26. (C) In Embassy Stockholm (and USEU may have a different perspective), we see two big positives from the Swedish Presidency for U.S. interests: continued forward movement on Af/Pak and EU enlargement. The differing perspectives on Copenhagen indicate the need for more engagement with Europe on climate change, in order to get them on board with a China strategy. From the perspective of many Europeans, the main achievement was the smooth transition to post-Lisbon. But to quote Bildt at a press conference in Brussels on December 21, "institutions without policy are just more bureaucracy." End Comment.
SILVERMAN